

**GOVERNMENT OF INDIA
COMMUNICATIONS AND INFORMATION TECHNOLOGY
LOK SABHA**

UNSTARRED QUESTION NO:3833
ANSWERED ON:21.04.2008
FUNCTIONING OF POST OFFICE SAVINGS BANK
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Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

- (a) the number of Post Office Savings Bank (POSB) functioning in the rural areas of the country as on date;
- (b) the share of these banks in the rural savings in the country, as on date;
- (c) whether these Banks are not receiving the savings in accordance with the targets set by the Government;
- (d) if so, whether the Government is formulating any scheme to encourage rural savings through these Banks; and
- (e) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI JYOTIRADITYA M. SCINDIA)

- (a) There are 136413 Post Offices in rural areas doing Post Office Saving Bank(POSB) work as on date.
- (b) The information is being collected and will be laid on the Table of the House.
- (c) The collections under various Small Savings Schemes are broadly categorized as Savings Deposits,Savings Certificates and Public Provident Fund.Estimates of collections for these categories are worked out on the basis of trend over the previous years.Targets are therefore not fixed for small savings on urban or rural area basis.
- (d) to (e) Central and State Governments take various measures from time to time to promote and popularize small savings scheme through print and electronic media as well as holding seminars, meetings and providing training to the various agencies involved in mobilizing deposits under these schemes.As part of this ongoing exercise, Government has recently taken following initiatives to make the small savings schemes attractive and investor friendly:-
 - (i) The restriction on opening of more than one account during a calendar month under the Senior Citizens Savings Scheme has been removed with effect from 24th May, 2007.
 - (ii) All categories of pensioners have been allowed to open and maintain 'Pension Account' under Post Office Savings Account Rules, with effect from 11th July, 2007.
 - (iii) The penalty on pre-mature withdrawal of deposits under the Post Office Monthly Income Account (POMIA) scheme has been rationalized from 3.5% to 2% on withdrawal on or before expiry of three years and 1% on withdrawal after expiry of three years.
 - (iv) The maximum deposit ceilings of Rs.3.00 lakh and Rs.6.00 lakh under the Post Office Monthly Income Account (POMIA) Scheme has been raised to Rs.4.50 lakh and Rs.9.00 lakh in respect of single and joint accounts respectively.
 - (v) Bonus at the rate of 5% on the deposits made under Post Office Monthly Income Account (POMIA) Scheme on or after 8th December 2007 upon the maturity of the deposit has been reintroduced.
 - (vi) The benefit of Section 80C of the Income Tax Act, 1961 has been extended to the investments made under 5-Year Post Office Time Deposits Account and Senior Citizens Savings Scheme, with effect from 01.04.2007.
 - (vii) Measures are also taken to promote and popularize these schemes through print and electronic media as well as holding seminars and meetings, providing training to the various agencies involved in mobilizing collection in Small Savings Schemes etc.
 - (viii) A website of the National Savings Institute under Government of India, Ministry of Finance has also been launched to facilitate interface with the public through wider dissemination of information on small savings and on-line registration and settlement of investors grievances. The website address is nsiindia.gov.in.